

(3) IF THE BANK COMMISSIONER DETERMINES THAT A SAVINGS BANK DOES NOT HAVE A GUARANTY FUND EQUAL TO 5 PERCENT OF ITS TOTAL DEPOSITS, THE BANK COMMISSIONER MAY REQUIRE THE SAVINGS BANK:

(I) TO ADD TO THE FUND FROM ITS NET EARNINGS AN AMOUNT OF MONEY, NOT TO EXCEED IN ANY YEAR 0.25 PERCENT OF ITS TOTAL DEPOSITS, THAT IS SUFFICIENT TO RESTORE THE FUND TO 5 PERCENT OF ITS TOTAL DEPOSITS; AND

(II) UNTIL THE FUND IS RESTORED, TO REDUCE, BY THAT AMOUNT, THE INTEREST PAID OR PAYABLE TO DEPOSITORS OF THE SAVINGS BANK.

(4) THE BANK COMMISSIONER MAY EVALUATE THE ASSETS OF A SAVINGS BANK BY A METHOD THAT THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER APPROPRIATE FEDERAL AUTHORITY ADOPTS.

REVISOR'S NOTE: This section is new language derived without substantive change from the last sentence of Art. 11, § 39(e) and from Art. 11, § 40(e), the first sentence of § 42, and the last sentence of the first paragraph and the entire second paragraph of § 43.

Subsection (c) of this section is revised to require approval of the Bank Commissioner for a reduction on abandonment of a branch. Present Art. 11, § 40(e) provides, in part, that a savings bank "may..., with the approval of the Bank Commissioner, reduce said minimum guarantee fund ... and may reduce the addition to said guarantee fund...". Although repetition of the word "may" would seem to exclude a reduction of a branch addition from the requirement for approval of the Bank Commissioner, in light of the impairment of the fund that might result from a reduction, the Commission to Revise the Annotated Code has revised subsection (c) of this section to add an approval requirement.

Subsection (d) (1) of this section is new language substituted for the phrase "... until such guarantee fund shall amount to..." to clarify the time period to which this subsection applies. The present language inaccurately suggests that these additions are required from the time the savings bank is formed until the time it has a fund equal to 5 percent of its total deposits. During that period, the savings bank operates with its initial guaranty fund and, under § 4-301(b) of this subtitle, adds to the fund 10 percent of its net earnings, before interest.

In subsection (d) (2) and (3) of this section, references to fund additions are substituted for

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